



COPY OF LETTERS
REFERRING TO
GRAIN ELEVATING
IN
MONTREAL HARBOUR,
ADDRESSED TO THE
BOARD OF TRADE
BY THE
ST. LAWRENCE GRAIN CO.
1879.

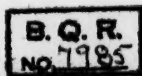
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327 COMMISSIONERS STREET,

MONTREAL, 29th January, 1879.

WM. J. PATTERSON ESQ.

Secretary Board of Trade.

SIR,—I am sorry that there should be any need for asking attention again to the way the Elevating Company I am connected with, is hindered from carrying on business in this Harbour, but as a member of the Board I claim the right respectfully to lay before the Council and request it to consider the following statement of facts which refer to the Harbour Commissioners' Rules made to regulate the movements of Elevators, and which also show how these Rules are in part enforced with rigour and in part entirely set aside, which in effect is to favour one Elevating Company and to crush and damage the Company I represent.

The Harbour Commissioners do not publish these Rules so that vessel owners and the public may know them, in consequence of this and for other reasons which I shall state, it is necessary to explain as follows.

In December 1875 the Harbour Commissioners corresponded with the Board of Trade in reference to what Rules should be made "to regulate the employment of Elevators in the Harbour" and the Rules adopted were stated once at a public meeting of the Commissioners, and given in a letter addressed to the Harbour Master.

The following is a copy of that letter:—

HARBOUR COMMISSIONERS OF MONTREAL,

Secretary's Office,

MONTREAL, 4th May, 1876.

Extracts from the minutes of the Special Committee appointed in October last to consider and report on the working of floating elevators in the harbour.

"After consideration it was resolved to report to the Board that the Committee are of opinion that the prevailing system should not be disturbed. That when two out of the three of the parties interested in the grain to be elevated present to the Harbour Master a written order indicating the Elevator or Elevators they desire to have employed, then that officer is to act accordingly; but in no case are Elevators to be allowed to go alongside a vessel until these questions shall first have been settled."

The above report was adopted by the Board at a meeting held on the 12th April, 1876.

H. H. WHITNEY,

Secretary.

The same day on which the above letter was written the Rules were publicly announced and explained at a meeting of the Harbour Commissioners by Mr. Thomas Cramp, Chairman of the Elevator Committee, in the following words :

The first thing that occurs among our Records of public interest is the question of the Rules to regulate the employment of Steam Elevators in the Harbour of Montreal. The recommendation of a special committee appointed to consider the matter is this—formulating a rule to govern the matter hereafter.—When two out of three of the parties interested in grain being elevated, present the Harbour Master with a written order, then that officer is to act accordingly ; but in no case is an Elevator to be allowed to go alongside a vessel until these questions shall first have been settled. It will be noticed that the Rule is here laid down that before any of the Elevators have taken up a position, it is necessary to have a permit from the Harbour Master.

I trust the Council will carefully note the Rules here fully stated and explained. It will be clearly seen from the facts which follow, that these regulations have not been fairly administered, but have been enforced and set aside as the occasion required, with the result I have stated.

The part of the Rule requiring orders "*in writing*" was never before a Rule or Custom in this Harbour, it must have been clear when made that the result would be to injure the Company I represent, and it has nearly always been enforced against us. On the other hand, that part of the Rule which afforded some protection to us, and which ever since it was announced, has been set aside by the Harbour Commissioners, was a regulation applying more clearly and specially to Elevators, the general Rules already adopted in the Harbour By-Laws, which a month previous were submitted to and approved by his Excellency the Governor General in Council, these By-Laws enact :

(Article 11.) And no vessel shall take up or occupy any berth in the said Harbour unless such berth shall have been assigned to her by the Harbour Master.

(Article 18.) All vessels in the said Harbour shall be under the control of the Harbour Master so far as regards their position, mooring, etc.

(Article 126.) The word "Vessel" when made use of in the foregoing regulations is to be understood as comprehending and meaning Rafts and every description of floating vessel.

It is manifest then that the power of assigning positions to Elevators in the Harbour belongs to the Harbour Commissioners. That all Elevators in the Harbour are under their control, so far as regards the position these vessels take, and that no Elevator can lawfully take a position except

as directed by the Harbour Master. A few weeks after these Rules were made I found that the other Elevator Co. was allowed to send their Elevators alongside Ships without having any orders whatever, and to take possession of, and to keep the positions alongside vessels where we had the orders to elevate, the place being refused to us unless we could produce two orders *in writing*, it being known that a certain penalty was entailed by giving us a written order. By these means, sometimes by violence, and, in nearly all cases, by passive if not active assistance from the Harbour Trust, a very large amount of work, which we contracted with vessel owners to do, has been taken from us, and in every instance the owners of these vessels had to pay higher rates than they contracted with us to pay. During the past season, in particular, we have been deprived, in the way indicated, of much business for which we had orders. Many examples could be given to show how the Elevator Company referred to send their Elevators and take possession of the places alongside Ships when they have no orders, how the Harbour Commissioners allow this practice in violation of their rules, and thus assist in forcing the Ship owners to use these Elevators and damage the business of the Company I represent. Some of these cases are explained by the following correspondence:

MONTREAL, 23rd May, 1878.

Messrs. Wm. GUNN & Co., Montreal.

DEAR SIRS,

When you chartered the "President Sverdrup," it was agreed that the St. Lawrence Grain Co. was to Elevate the grain, and we consequently gave that Company a written order to send their Elevator. To our surprise we are now informed that the other Company has put an Elevator alongside, preventing the St. Lawrence Elevator getting alongside to Elevate the grain.

Yours very truly,

WULFF & Co.

MONTREAL, 25th May, 1878.

THE ST. LAWRENCE GRAIN Co., Montreal,

GENTLEMEN,

Messrs. Wm. Gunn & Co.'s letter of the 23rd inst., in reply to ours of the same date, only came into our possession yesterday afternoon (Queen's Birthday), being a holiday, and the writer being absent, it was impossible for us to do anything more respecting the loading of the "President Sverdrup." We did not anticipate any trouble or interference respecting the loading of the said vessel after the clear arrangement we made with Messrs.

Wm. Gunn & Co., and we know they did not grant any order to the Montreal Elevating Company to do the work, and as that Company had no instructions from us it is evident they have taken upon themselves without instructions from anybody to do the elevating of the said vessel.

Yours truly,

WULFF & CO.

327 COMMISSIONERS STREET,

MONTREAL, 30th September, 1878.

THOMAS CHAMP, Esq.,

Chairman Harbour Commissioners.

SIR,

In reference to the conversation had with you on Saturday, we beg to enclose copies of letters relating to the case of the barque "President Sverdrup," which was brought before your Board by Mr. Gould, in May last, and which led as we were then informed by Mr. Gould, to an understanding with Mr. Hugh McLennan, a director of the Montreal Elevating Co., that such hindrance to our working would not occur again. This understanding has not been carried out, and we beg to call your attention to another case of a vessel now in port. We have instructions to elevate grain into the barque "Arouca," but are prevented getting alongside by the Montreal Elevating Co., who have placed one of their elevators there without any orders whatever. This the Harbour Master will confirm, he having called on the Montreal Elevating Co. to find out if such was the case. Hoping that you can give this matter your immediate attention in order that we can place our elevator in position so as to work this afternoon.

We are,

Your obedient servants,

ST. LAWRENCE GRAIN CO.

It is very clear that we were entitled to the place at this ship; we had the order from the ship, and the order from the shipper of the grain, but because both these orders were not "in writing" we are refused the place, and it is given to the Elevating Company which has *no orders whatever*.

Even when our Elevator is placed alongside a ship in the Harbour, if owing to delay in the arrival of grain or for other reason we remove for a short time to work elsewhere, our place is at once pounced upon in violation of the Rules and held against us, not only so, but Elevators are permitted to obstruct and hinder our operations in the manner described in the following letter, and I may state that neither this letter nor others previous to it were ever acknowledged by the Harbour Commissioners.

THOMAS CRAMP, Esq.,

MONTREAL, 3rd October, 1878.

Chairman Harbour Commissioners, Montreal.

Sir,

As we have not been permitted to have the position at the Barque "Arouca" as requested in our letter to you of the 30th ult., our Elevator is now alongside the ship "Edgar Cecil," by an order from that vessel and consent of the shippers of the cargo. The Montreal Elevator Co. has since placed one of their vessels across the bow of our Elevator, which is an obstruction and interrupts the loading of the ship.

We respectfully direct the attention of your Board to this matter, and request that you will order the removal of this obstruction and hindrance to our working.

We are,

Your obedient servants,

ST. LAWRENCE GRAIN CO.

As a reason why the part of the regulation which requires two orders "in writing" should not now be enforced, I beg to remind the Council that such was never a Rule or Custom in this Harbour before it was enacted in 1875, that since then the charges which were formerly paid by the owners of grain have been abolished, and the owners of grain not being "*interested parties*," as they were when the rule was made, sometimes now decline to give any orders at all for Elevators.

I desire to ask the Council to consider also these facts: That the Elevator Company which I have mentioned as being unduly favored, draws in this Harbour, receipts exceeding one-fourth of all the Harbour Revenues, and is allowed the privilege of making use of the Harbour, and plying for hire with its Elevators free of all payment, without being held under any kind of obligation whatever, in return for this privilege. That it is allowed to compound for the payment of the Harbour dues on its vessels by paying only a small lump sum, which is less than one-half the Tariff fixed by law to be paid on all vessels, and only one-half or thereabouts according to the tonnage that we have to pay. A Company so favored, and with otherwise large influence and power, if allowed to take the positions at ships where its services are not required, is able to resist being turned away, the result is when the position alongside is secured, freedom for the owner or representative of the ship to *choose* the Elevator is gone. The rules which refer to Elevators, not being published, are often wrongly quoted, in order to prevent vessel-owners making use of our Elevator. We have proof that this is commonly done in this Harbour, as we know has been the case in the instances stated in the following let-

ter, addressed by ship-owners in England, to the Harbour Commissioners, and a copy of which we received from the writers :

TO THE HONOURABLE THE HARBOUR TRUSTEES, Montreal.

It has been reported to us by the captains of our steamers, the "Democrat," "Aristocrat" and "Autocrat," of this and last year, that they are by some rules unknown to them compelled to use a certain company's elevator adverse to our interests. We have on this their second voyage given orders to them to use the St. Lawrence Company's elevator, the cost of which is only one-half, with the same facility afforded for dispatch, and trust if they apply to your Honourable Board for protection it will be afforded them. The stringent rules, high charges and restrictions put on shipping at Montreal, will, if continued, compel us in future to withdraw our steamers from that trade.

We are, your obedient servants,

THOMAS FARLAM & CO.

I may state that the owners of these ships were on this occasion, *again compelled*, by means I can show, to use the Elevators they did not want, and to pay higher charges than they contracted with us to pay.

Complaints having been made to the Government by ship-owners and others that the Rules referring to Elevators were being unfairly administered in this Harbour, inasmuch as in violation of the Rules, Elevators were permitted to take and to keep the places at ships without having orders, and where the orders were given to the St. Lawrence Elevator. The matter was by the Government referred to the Harbour Commissioners for explanation, and they were called upon by the Government to forward an exact copy of the Rules. This return was duly made by the Harbour Commissioners as follows :—

HARBOUR COMMISSIONERS OF MONTREAL,
Secretary's Office,

MONTREAL, 31st August, 1877.

SIR,—In reply to your letters of the 4th ult. and 29th inst., I beg to state that the rule established for the guidance of the Harbour Master is, that "when two out of the three parties interested present to the Harbour Master a written order indicating the elevator or elevators they desire to have employed, then that officer is to act accordingly."

This rule was re-affirmed in April, 1876, by a special committee, who communicated with the Board of Trade and received the following resolution in response :—

"That in reply to the communication from the Secretary of the Harbour Commissioners this committee suggests that, in all cases of employing floating grain elevators in the harbour of Montreal, a majority of the three interests involved

shall determine what elevator company shall be employed in any or each case, and the Council further suggests that such regulations should be made as will afford the utmost facility and freedom to the elevator that may be designated to perform the service required.

"I have, &c.,

"H. D. WHITNEY,

"Assistant Secretary.

"To WM. SMITH, Esq.,

"Deputy Minister of Marine, &c., Ottawa."

I trust the Council will note the contents of this letter prepared with such skill that while each clause is true and the whole *apparently* a faithful reply to the request for an exact copy of the Harbour Rule referring to Elevators, is nevertheless altogether incomplete and misleading.

It will be seen by a reference to the Rules given fully in the first part of the present letter, that the whole of that part of the Rule on which the complaints were founded was *completely suppressed*.

On receiving this letter the Government sent the parties who complained a copy as being an "exact" copy of the Harbour Commissioners Rule, showing that the Regulation complained about as not being fairly administered, did not exist, and as a matter of course the Government dismissed the complaints accordingly.

I am Sir,

Yours respectfully,

JAMES INGLIS.

MONTREAL, 10th February, 1879.

WM. J. PATTERSON, Esq.,

Secretary Board of Trade.

SIR,—That part of my letter of 29th ult., referring to Harbour dues charged for Elevator Boats, appears to require some explanation to make the matter more clear. The paragraph in the letter is this:

"I desire to ask the Council to consider also these facts. That the Elevator Company, which I have mentioned as being unduly favored, draws, in this Harbour, receipts exceeding one-fourth of all the Harbour Revenues, and is allowed the privilege of making use of the Harbour and

plying for hire with its Elevators free of all payment, without being held under any kind of obligation whatever in return for this privilege. That it is allowed to compound for the payment of the Harbour Dues on its vessels by paying only a small lump sum, which is less than one-half the tariff fixed by law, to be paid on all vessels, and only one-half or thereabouts, according to the tonnage that we have to pay."

In order to show that this Extract really understates the facts in reference to the charges for Harbour dues, and to explain why the refusal of the Harbour Commissioners to charge dues on the Tonnage, in accordance with their Tariff, is a serious wrong, to which I am justified in asking the attention of the Council. I beg to state as under,

The Harbour Trust printed Tariff says :

" Rates and dues to be levied in the Harbour of Montreal, under and by virtue of the Act 40, Victoria Cap.

On and after the first day of April, 1877, Dues to be levied on all Vessels in the Harbour.

On Steamboats measuring 50 tons and upwards, per Ton register, for each day of twenty-four hours they remain in the Harbour, reckoned from the hour of their arrival to that of their departure, 1½ cents.

On Steamboats measuring under 50 tons register, for each day, reckoned as aforesaid, each 40 cents."

Now all Elevator Boats in Montreal Harbour are Steamboats, propelled by steam-power, and are clearly subject to the dues stated, to be levied on all such boats.

The smallest Elevator Boats belonging to the Montreal Elevating Company correspond in size to their Elevator boat called the "Quebec," of the following dimensions and Tonnage, as registered in the Port register: "Official Number, 46,204; length, 90 feet; breadth, 24 5-10; depth of hold, 9 feet; Registered tonnage, Gross tonnage, 133 tons; net tonnage, 90 tons; horse-power of engine, 30."

According to the Tariff rate the Harbour dues, on this and any similar vessel, reckoned on the net tonnage at 1½ cents per ton, per day, (from 1st May to 16th November) 200 days, is \$270. Other Elevator Boats, belonging to the same Company, are much larger than the vessel named, and approximately the tonnage may be 150 tons, net tonnage, on which the Harbour dues for 200 days amount to \$450. Yet all these vessels, instead of being charged these dues, are charged only \$75 each for the whole season; that is to say, the 12 vessels belonging to the Company, 8 being taken as their smaller class and 4 their larger class, are properly

subject to about \$3,960 for each season's Harbour dues; but instead of paying this sum, the Harbour Commissioners commute the payment for a sum of \$900 only, being a concession in favor of the Company of about \$3,000 per annum, while any proportionate concession has been *refused* to the Company I represent, and we are compelled to pay, as nearly as possible, the Tariff rate. This will be manifest from the facts stated below.

Our Elevator is the most powerful in the Harbour, but to avoid *useless* and unnecessary size, and to secure stability, *the boat* was made short, and low in the water, which also diminished the Tonnage, an element of economy we *reckoned* upon also as a commercial advantage, because in all ports *the dues* are charged by Tonnage. The Register Tonnage (calculated by the Builders, Messrs. Barclay, Curle & Co., Glasgow) is Gross Tonnage, 71 Tons; Net Tonnage, 44 Tons. Our Boat then having *net* Tonnage, "under 50 Tons" is by the Tariff, properly chargeable for *dues* 40 cents per day, which for 200 days amounts to \$80. We are charged by the Harbour Commissioners \$75, a concession to us of \$5 per annum, against \$3000 per annum, allowed to the other Company. This is *virtually* a subsidy given to that Company which I trust the Council will see is (apart from other considerations) most unfair to its competitors in business. That this favored Company is well *able* to pay Harbour Dues on its vessels in accordance with the Tariff rates, the same as other vessel-owners pay, is manifest from the record of its profits, which for the last 7 years were:

1872.....	21	per cent.	
1873.....	21	" "	
1874.....	24	" "	
1875.....	11	" "	—and 2 Elevators built out of profits.
1876.....	13	" "	—and 1 Elevator " " " "
1877.....	12	" "	—and 1 Elevator " " " "
1878.....	17	" "	

I am, Sir,

Your obedient Servant,

JAMES INGLIS.

Copy of Article from the Ottawa "Daily Citizen."

A few days ago, a letter which had been addressed to the Montreal Board of Trade by the St. Lawrence Grain Company, was published in the *Montreal Gazette*, and as it relates to matters which indirectly affect the public policy of the country, some of its statements demand the serious attention of the Government, Parliament and the public press. It is the settled policy of the country to encourage and develop the shipping interests of the great lakes and the St. Lawrence River, to afford the best possible facilities for the movement of the vast trade of the West by the lake and St. Lawrence route to the seaboard, and to accomplish this, immense sums of money have been expended on the Welland and St. Lawrence canals and in other kindred improvements. The interests of the ports of Montreal and Quebec with the inland and ocean shipping which enter their waters, and which can only be represented by millions upon millions of dollars, are intimately connected with the lake and river navigation and trade. But not only are these ports interested, the country as a whole has vast interests at stake, and it is of the utmost importance that the object for which the large sums of public money have been and are being expended should be fully attained. The policy of the country is to facilitate and cheapen the transportation of western freight to make our natural waterway one of the great outlets for the teeming products of the continent, and, so far as possible, a successful rival to the ports on the Atlantic seaboard. In view of this, the least one can expect is that the merchant princes, the capitalists and the harbour authorities of Montreal and Quebec—the men who should best understand the nature of the friendly conflict in which the United States and Canada are engaged—would do all in their power to forward the policy which the country has deliberately adopted. But, according to the statements of the letter referred to—which we see no reason, whatever, to doubt in the least—the Harbour Commissioners of Montreal have entered upon and are pursuing a course which is prejudicial to the interests of the port, and will thwart the objects which the Government and Parliament have in view in improving the Welland and St. Lawrence Canals. The majority of the Harbour Board is, we believe, composed of gentlemen who are appointed by the Dominion Government, and it may be assumed that the reason why the Government took the power of making such appointments was to secure an efficient and impartial administration of the business of the port. It seems, however, that some members of the Board, perhaps a majority, at all events a controlling party in influence or number, have taken

other views of the duties which attach to the important office. It is broadly charged that three of the leading Harbour Commissioners are directly interested in the "Combination Grain Elevating Company," and that matters are so arranged and manipulated that the favored company enjoys a monopoly of the work and profits accruing from the handling of grain by those labor saving apparatus. There is another company in existence at the Port of Montreal, but, not being represented on the Board of Harbour Commissioners, being, in fact, a rival of the "Combination Company," consignees, masters of vessels and stevedores are not permitted to employ their floating elevators to unload or load grain. It is not necessary to enter at full length into the history of the Combination Company, or to show by what particular means and in what ways their monopoly is secured. It will be sufficient to say that with the Harbour Commissioners rests the power of making by-laws or rules for the regulation of the business of the harbour, and that under cover of one of their rules all competition in unloading grain has been avoided, the whole work has been secured to the "Combination Company," while the less favored company has, for the time being at least, been deprived of opportunities of working their floating elevators. With the difficulty between the rival companies, simply as a difficulty, the general public may have no concern; but in the results of this system of using their positions as Harbour Commissioners to secure monopolies, the whole country is interested. The operation of the monopoly is literally to impose an unnecessary tax upon every bushel of grain which enters by water the port of Montreal, and although the tax upon a single bushel may be insignificant, the aggregate tax upon the millions which are handled is very considerable. Like all monopolists, the Combination Company are content to do their work with indifferent tools—their elevators are not of the most approved construction—because they are, by favor of the Board of Commissioners, in the enjoyment of a high tariff of charges and of very handsome dividends on their capital. On the other hand, the "St. Lawrence Grain Company" appear to understand that "competition is the life of trade," that cheap handling of grain is in the interest of the port of Montreal, and with that view have provided themselves with elevators of the most modern and approved style of construction, by which they could unload grain, with reasonable profits to themselves, at one half the charge made by the monopolists. Now this is really a matter which deeply concerns the welfare of the country, which conflicts with the

policy of Parliament, affects the pockets of every farmer, and trenches upon the vested interests of merchants and shippers generally. If the Harbour Commissioners are permitted to build up one monopoly and enjoy the profits thereof, why should they not be allowed to build up others? If the principle of partiality shall be once allowed, who shall say where the limits shall be drawn? But we are far from supposing that such a principle will be tolerated. If the Harbour Commissioners have failed to understand the responsibility of their position, and the duty they owe the country, it is quite time they were properly instructed, and an end put to a system which neither redounds to their own credit, nor promotes the good and interest of the country.

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